

Jeffersonian Republican.

THE WHOLE ART OF GOVERNMENT CONSISTS IN THE ART OF BEING HONEST.—Jefferson

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GOVERNOR'S MESSAGE.

To the Senate and House of Representatives Of the Commonwealth of Pennsylvania.

FELLOW CITIZENS.—The first and most important duty that devolves upon the Legislature, will be to examine into the financial embarrassments of the State, and to make suitable provision for the discharge of her liabilities. The entire amount of the funded debt of the State is \$39,084,000 40. This debt is reimbursable as follows:—

In the year 1841	\$55,922 60
" 1842	62,500 00
" 1843	3,686,342 08
" 1844	72,335 06
" 1850	1,000,000 00
" 1852	2,000,000 00
" 1851	3,000,000 00
" 1856	2,783,161 88
" 1858	7,070,661 44
" 1859	1,250,000 00
" 1860	2,618,680 00
" 1861	120,000 00
" 1862	2,265,400 00
" 1863	200,000 00
" 1864	3,385,076 66
" 1865	1,829,600 00
" 1866	2,524,000 00
" 1870	1,916,215 65
Loan payable at the expiration of certain bank charters	369,503 50
Total	\$36,469,398 87

Interest due 1st Aug., 1842, for which certificates of stock were issued, redeemable in 1843	866,625 53
Interest due 1st February, 1843, redeemable in 1844	873,968 00
Interest due 1st August 1841, redeemable in 1846	873,968 00
Total	\$39,084,000 40

Upon this debt the annual interest to be paid amounts to \$1,241,827 23, to wit:—

Permanent loan at 6 per cent.,	\$1,916,914 33
" 5 "	32,683,189 88
" 4 "	200,000 00
Relief notes at 1 per cent.,	1,467,628 68
do do do	171,636 00
Arrears of interest due to our loan holders in August, 1842, and February and August, 1843, at 6 per cent.,	2,614,601 53
Total	\$39,084,000 40

There is also due to Domestic Creditors, on certificates issued by the Auditor General, the sum of \$206,461 00.

For the interest annually accruing, and for the temporary debts and liabilities of the State, provision should be immediately made. The resources of the State are abundant, and all that is required is the right disposition, and a judicious and proper selection of the mode in which these resources are to be rendered available.

The amount of taxes levied and paid into the State Treasury, under existing tax laws, was as follows:—In the year 1841, the amount levied was \$416,794 85—there was paid into the Treasury during that year, \$3,292 77. In 1842, the tax levied was \$659,512 47—the amount paid in the same year, was \$486,635 85. In 1843, the amount levied cannot be ascertained with accuracy, in consequence of failures on the part of the County Commissioners in several counties to make returns to the proper office; but making an estimate from the best data that can be obtained, it will not fall short of \$945,000 00. The tax paid into the Treasury the past year, was \$553,911 38. The assessment for the ensuing year, may be fairly estimated at what it amounted to the past year, provided the Legislature repeal the proviso to the 15th section of the Act of 27th July, 1842, entitled "An Act to provide for the ordinary expenses of the Government—payment of interest upon the State debt," &c., which limits the assessment of the increased tax to one year. Unless provision be immediately made for continuing the assessment and collection of that tax our financial difficulties must be increased, and the consequence be most disastrous to our State credit.

It will be seen from the foregoing statement that nearly a million of dollars, arising from taxation, remains unpaid; and there is no authority vested in the Executive, by law, to enforce its collection. I have repeatedly recommended to the Legislature the adoption of some legal method of compelling County Commissioners, Collectors and Treasurers, to perform their duties—but, thus far no legislation has been had upon the subject. In the present defective state of the law, every temptation is held out to delinquents to persevere in setting at naught its injunctions. Permit me again to call the attention of the Legislature to this subject, and to express the hope that this evil will be remedied.

The whole receipts from our public improvements, beyond the payment for repairs, and the expenses of their charge and management, during the past fiscal year, amounted to \$482,657 31.—The current expenses of government, including the permanent appropriation to Common Schools, and other purposes, may be estimated at about \$750,000 00. The resources of the State, independent of taxation, and the receipts from the public improvements, at about \$400,000 00. From an examination of all these receipts and liabilities of the State, supposing the tax levied, under existing laws, to be punctually collected and paid over, there would be an annual deficit of about \$850,000 00, independent of the balance due to Domestic Creditors, for the punctual payment of all which, the State is bound by every obligation of faith and honor. After a most careful consideration of the whole subject, I have been unable to devise any other mode of meeting this responsibility than that of augmented taxation.

I took occasion in my annual message, transmitted to the Legislature on the 8th of January, 1840, to speak upon this subject in the following pointed and unequivocal words. I beg leave to quote them, because I have reiterated, in every annual message to the Legislature since, substantially the same sentiments; and I desire the people of Pennsylvania, and the whole world, to know, if there be ground to charge remissness of duty, to whom the fault is to be justly attributed:—

"In expressing my own opinion in favor of a resort to taxation, I do it with no inconsiderable degree of reluctance, but it must be obvious to every citizen of the Commonwealth, that his house, his farm, and his property, are all pledged, beyond possibility of release, to the ultimate payment of the State debt, and the interest thereon accruing, agreeably to the stipulation with the loan holders. Nor is this the worst view of our situation. The State has been actually compounding, for years past, from a million to a million and a half of interest, annually; and the question is now submitted, whether we are thus to continue adding, half yearly, this enormous amount of interest to the principal of our State debt, and continue in this pusillanimous course of policy, from year to year, of shuffling off the evil day, and entailing this frightful legacy on posterity. It is a reproach on the people of Pennsylvania to suppose they can be longer kept in the dark, in regard to the situation in which we find them. All they want to know, to ensure a ready compliance with this indispensable call upon their patriotism, is to know the necessity of the measure. The experience of more than half a century, fortifies me in the belief, that the good sense of the people of this great Commonwealth is rarely appealed to in vain.

In assuming the responsibility of recommending this measure, I am fully sensible of what is to be encountered, and aware of the consequences that are to follow; and if, in this expression of the honest convictions of my own mind, and the fearless discharge of the duties incumbent on me, I shall not be borne out by my fellow-citizens, I shall at least have the consolation to know, that I have done that which I conscientiously believe to be right, and which I think will bear the reflection of after years. The time for evasion is gone; the public mind has been too long led with miserable expedients. The time for action is at hand. Our country expects every man to do his duty, and he that has not nerve enough for the crisis, should give place to those better fitted for the emergency. Neither the present Legislature, nor myself, had anything to do with contracting this debt—it is fixed on us by those who have gone before us, and the same rule of prudence and sound policy that would govern the conduct of a private individual, holds equally good in the case of the Commonwealth, under this state of things. The private individual would tax his industry and his property, to the utmost, to pay off a debt, and the interest upon it, that was consuming the avails of his industry and his substance—so, also, it seems to me, should the representative of a wise and judicious people. Taxation would pay the interest—it would eventually constitute a sinking fund to pay off the principal of the State debt, and should be continued till the income of the public improvements would render longer taxation unnecessary. The crisis demands the exercise of the most far-reaching sagacity—the calmest judgment and the most fearless patriotism. I am sure the Legislature will meet it in the right spirit, to disarm it of its perils. Coming, as you do, from all quarters of the State, and possessing a more minute knowledge of the circumstances and wants of the people than I can, I most cheerfully surrender this important subject to your satisfaction that prudence and justice will direct your action upon it."

I use strong terms in speaking to the Legislature on this subject at that time, because it was an hour of darkness, uncertainty and alarm. The explosion of the Banks, the paralysis of the business energies of the country, and the manurings of those whose ambition seeks no higher aim than that of finding fault, were all calculated to deter even honest men from faithfully performing their duty. So far as I was concerned, I was resolved that both my opinion and my course should be clearly understood. Four years have now elapsed; time has been given to the excited to become calm, to the timid to become self-possessed, and for factious partisans to see the error of their way. I look back with pleasure on my course because, as I had no doubt from the beginning, I have been triumphantly sustained by the honest yeomanry of Pennsylvania. They have borne without repining, every burden that was necessary to maintain the honor of the State, and they are ready to endure yet greater sacrifices, if they be necessary, for the same cause.

It has of late been fashionable, in certain quarters, to denounce Pennsylvania, and cite her, as an example in point, to sanction the reproach which has been attempted to be cast upon the American people, of seeking to carry into practical operation the scheme of repudiating their public debts. Those who have circulated and believed this calumny, betrayed a degree of ignorance, both of the character of our people, and of the course of her legislation, which is truly surprising. On every

occasion, the liability of the State has been frankly avowed, both by her Executive and Legislative Departments; and although the recommendations of the Executive, to make provision for the payment of her interest, have not been adopted to the fullest extent, yet the Legislature has passed laws imposing a tax, amounting the last year a little less than a million of dollars, and this has been acceded to by the people, without a murmur from any source entitled to a moment's consideration. The failure to pay the interest has not resulted from a want of disposition to do so, on the part of the citizens of Pennsylvania, but from the general disasters which have overwhelmed and crippled her in common with almost every other government in the commercial world. We are regaining our energies, and recovering from embarrassments by which we have unfortunately been surrounded. A very few years will enable us to retrieve all that we have lost and to wipe away from our escutcheon every blot with which unexpected misfortune has tarnished it. Whatever the interested or evil disposed may have asserted to the contrary, there is not an honest citizen of Pennsylvania who does not feel the proud consciousness that her faith and integrity can be held up to the world unscathed.

The valuation of the real and personal property owned by the citizens of the State, ascertained by reference to the valuation as taxed for county purposes, amounts to about four hundred and sixty millions of dollars. The average of the rate of this valuation is, no doubt, considerably below the actual value of the property of the State.

Among the receipts at the Treasury during the last year, there were from tolls, exclusive of

Motive Power,	\$755,155 39
Auction duties,	59,661 78
Tax on collateral inheritances,	23,337 05
Dividends on Bridge, Turnpike, and Navigation Stocks,	19,161 29
Escheats,	1,010 00
Total	\$857,325 51
To which add the State Tax received	553,911 33
Total	\$1,411,236 89

This income, derived from the above sources, was specially appropriated to the payment of the interest on our public debt; and on the faith of the State's adherence to its solemn engagements, those from whom the money was obtained, were induced to make the loan. But, by the resolution passed 7th April, 1842, and the acts passed 27th July, 1842, and 8th April, 1843, those funds were applied to other and different purposes, from what was decreed, by the Legislature, an imperative necessity induced by the monetary embarrassments to which I have already adverted.

It is thus shown that about three and a half per cent. of the interest could have been paid the past year, but for this subsequent legislation; and that the above sum of \$857,325 51, together with a tax of less than three mills on the assessed value of the real and personal estate of the citizens of the Commonwealth, would pay the interest on the public debt, beyond all doubt, and place Pennsylvania on that proud eminence which the true character of her people, and the resources she possesses, designed her to occupy. But to satisfy the people of the propriety of this increase of the tax, assurance should be given that it would be applied to the payment of the interest on the State debt, to the exclusion of every other object.

There has been one objection made against taxation under the present state of things, which appears to be founded in justice, and that is, the manifest unfairness and inequality of the rates of assessment in the different counties. I annex to this message a table showing the assessments in the various counties of the Commonwealth, an examination of which, will at once disclose the evils that ought to be remedied.

Most of our laws on the subject of taxes and revenue, require revision and amendment. Those relating to collateral inheritances, retailers and dealers in merchandise, auction and auctioneers, and brokers, require revision and modification to prevent evasions. Indeed there is good reason to believe the revenue from these sources might be doubled. The county rates and levies are not augmented by them; nor does the State tax derived therefrom, bear any fair proportion to that exacted from the land holder. The inequality and injustice of the matter become manifest when the proceeds derived from each are considered.

The tax necessary for the payment of the interest on our State debt, it has long been apparent to me, should be apportioned among the several counties of the State, and a liberal discount or drawback allowed for prompt collections and payment into the Treasury. The members of the Legislature, coming, as they do, from the several counties, and each watchful of the rights and interests of his immediate constituents, would certainly compose a board every way competent to make that apportionment. A more unequal one than that which now exists, cannot be readily devised. I am aware that each and every object and mode of taxation is more or less objectionable—but that should not absolve us from our duty. I have submitted to the Legislature my views again and again, on this subject; and that it has at times differed with me, is no cause of complaint—that difference of opinion having proceeded from a conscientious discharge of duty.

But, if the suggestions here made, do not seem right and proper, permit me to express the earnest hope that the Legislature will devise some other mode less objectionable, and that it will not separate until full and ample provisions be made for the punctual payment of the interest on our public debt, semi-annually, as it becomes due, and thus smooth the way for those who may come after us in the administration of Government.

1841, amounted to	\$33,292 77
1842, "	486,635 85
1843, "	553,911 38
Total	\$1,073,840 00

The moneys paid out for the purposes of education, during the same years, amounted in

1841, to	\$365,766 04
1842,	315,372 43
1843,	408,694 36
Total	\$1,089,832 83

So that it appears more money has actually been paid out by the Commonwealth, for educating her people, than the amount of State tax paid into the Treasury.

It will be entirely practicable to make provision for the payment of the semi-annual interest, on and after the first of August next. And, to provide for every possible contingency, the State Treasurer might be authorized to borrow, if necessary, a sufficient sum to make up any deficiency, and the taxes and other receipts of the State, applicable to the discharge of interest, be pledged specifically for the re-payment of such loan, and applied as soon as received.

The arrears of interest due in 1842, and February and August, 1843, have been funded, in conformity with the acts of Assembly upon that subject. This was the most that could be done for our creditors, under the circumstances, and if, hereafter, provision be made for the punctual discharge of the interest, it will, I believe, be as much as could reasonably be expected by the holders of our loans.

There is now due from the State to certain banks the sum of \$1,467,628 63, on account of the issue of notes under the act of 4th May, 1841, which bears an interest of one per cent. By virtue of the act of Assembly, passed the 8th day of April last, entitled "An act to provide for the payment of Domestic Creditors," &c., these notes are to be cancelled at the rate of one hundred thousand dollars per month. The funded debt of the State bears an interest of five and six per cent. payable semi-annually. If this cancellation be continued at the same rate, it is very certain this interest cannot be paid, as a very large proportion of taxes and tolls will be paid in funds of this description. It is, therefore, for the Legislature to determine which of these measures it is the policy of the State to pursue.

The revenues derived from the public works during the past fiscal year, although not realizing the estimates which were formed at the commencement of the year, have yielded a very handsome profit to the Commonwealth over the expenditures required for their maintenance. The report of the Canal Commissioners, which will be laid before you, and to which your particular attention is invited exhibits in detail the receipts and expenditures upon the several lines of canal and railroad. By that document, it appears, that, from the early closing of the canal by ice in the latter part of 1842, and its late opening from the same cause in the following spring, the navigable season of 1843 was rendered about eight weeks shorter than that of the previous year. A combination, likewise, took place among the boatmen on the Delaware Division, which existed for several weeks, putting a stop to transportation, and causing a loss of revenue to the Commonwealth of not less than \$30,000. Notwithstanding these impediments, added to that experienced from the high floods on the Juniata in September last, the tolls amount to \$1,017,841 12, being an increase over the receipts of 1842 of \$77,627 43. An abstract of the receipts and expenditures on the several lines exhibits the following result:

	Expenditures.	Receipts.
Main Line,	\$425,036 82	\$857,212 94
Delaware Division,	22,552 92	92,265 41
Susquehanna, North and West Branches,	59,226 50	62,206 06
Beaver, Shenango, & French Creek,	15,110 82	6,156 71
Total	\$502,928 36	\$1,017,841 12
Deduct expenditures,		522,223 36
Excess of receipts over expenditures		\$495,617 76
Deduct drawback on flour and pork		22,436 50
Total		\$473,181 26
Add increase of stock on Columbia Railroad,		9,491 33
Clear profits of all the works for 1843		\$482,657 34

The increase and decrease of tolls on the different lines, as compared with 1842, were as follows:

	Decrease.	Increase.
Main Line,		\$94,263 46
Delaware Division,	\$2,193 67	
Susquehanna, North and West Branches,	13,500 03	
Beaver, Shenango, and French Creek,	535 29	16,636 03
Total		\$77,627 43

And, on the same lines, the excess of receipts over expenditures and all liabilities, is as follows:

Main Line,	\$419,220 70
Delaware Division,	69,711 49
Susquehanna, North & West Branches	2,970 26
Beaver, Shenango, and French Creek,	491,911 45
Excess of expenditures over receipts	9,251 11
Total excess of receipts over expenditures,	\$482,657 34

From these statements it appears that with the exception of the small excess on the Susquehanna and North and West Branch Divisions, the profits upon the year's business, have been derived from the main line and the Delaware Division. The last named division has yielded a profit of five per cent. upon the cost of its construction, which, but for the loss of revenue sustained from the combination among the boatmen before referred to, and interruption from breaches, would have been in-

creased to over seven per cent. The Columbia and Philadelphia railroad exhibits a very gratifying result. The clear profits of the road over expenditures and liabilities the past year amount to \$202,966 65—equal to about five per cent. on the original cost of the railway and the motive power department.

In pursuance of the provisions of the act of 7th March, 1843, a charter was issued, on the 16th day of June last, to "The Erie Canal Company." The company is vigorously prosecuting the work, and gives fair promise of its early completion. That portion of the division from the Oneida River to the town of New Castle, according to the terms of the charter, remains in the possession of the Commonwealth, until the completion of the whole line. A large portion of the expenditures on it during the year, was caused by repairs to the works since transferred.

It is evident from the foregoing abstracts, and from a review of the details, contained in the Canal Commissioners' report, that the main line and Delaware Division, can at all times, be made sources of profitable revenue to the Commonwealth, by the exercise of a proper vigilance over the disbursements. Much has been done towards introducing a system of strict economy, and dispensing with officers, agents, and laborers, whose services tend only to swell the amount of expenditures. If the system, thus begun, be carried out and perfected, all doubt must vanish as to the value of these portions of the public works when considered as means of revenue.

To the more general introduction of section boats, in consequence of the State having purchased trucks for their conveyance over the two railroads, may be traced the principal cause of the increase of tolls and tonnage on the Main line.—The experiment has been fully tested to the satisfaction of the most sanguine friends of the system of individual competition in the carrying trade.—These boats, during the past year have prevented combinations, reduced the price of freights, increased the amount of tolls and tonnage, and given to our Main line a character for cheapness in transportation, which must make it the principal avenue to a market between the waters of the West and the Eastern Atlantic cities. A system of transportation which in its incipient state, has been productive of such great benefits, and which is so closely identified with the prosperity of the improvements of the Commonwealth, is entitled to the fostering care of the Legislature. In 1843, the amount of tolls paid by section boats was \$114,227 47; of which \$16,651 65 was for the use of the State trucks.

To give efficiency to the system; to meet the demands consequent upon the continued increase in the number of section boats; and to prevent vexatious delays at the railroad slips, an increase in the number of trains of trucks has become absolutely necessary. As these additional trains will be required at the opening of the spring business, the expectation is entertained that an early appropriation will be made to that object.—Such an appropriation will give an impetus to the spring trade, by giving assurance of promptness in the delivery of produce, goods, and merchandise; hold out inducements to further increase of section boats; place the system upon a permanent basis; and insure to the Commonwealth all the advantages which must necessarily result from this improved mode of transportation over our disjointed lines of canal and railroad. I would further recommend that the appropriation be made direct, and not made payable out of the tolls for the use of trucks, so as to enable the Canal Commissioners to make the purchase on more economical terms than can otherwise be done, and to free the rates of toll, and the method of keeping the accounts from their present complexity.

I will refer you to my message, returning, without the Executive sanction, a bill entitled "An Act to authorize the Governor to incorporate the Pennsylvania Canal and Railroad Company from Philadelphia to Pittsburgh," for my views in relation to, the impolicy of selling or transferring the public improvements to private companies. I do not think it however proper to add, that although my own judgment on this subject is perfectly clear, yet, if a second Legislature deem it advisable to concur with the former in providing for this sale or transfer, I do not know that I will consider the duty incumbent on me of offering further resistance to this project; provided sufficient safeguards be established to protect the public against frauds and collusions in the sale, and to ensure a proper regard for the public interests, on the part of those into whose hands they are subsequently to be transferred.

No report has been made by the Commissioners named in the act entitled "An Act to authorize the Governor to incorporate the Delaware Canal Company," passed 13th April last; nor am I in possession of any official information in relation to the same.

On the subject of the Banks I have little to recommend. My views in relation to the system have heretofore been very fully expressed, and do not now need reiteration. Most if not all the solvent institutions have now resumed specie payments, and, taught by past experience, it is hoped they will so regulate their business, and circumscribe their liabilities within the bounds of prudence, that we shall not see a recurrence of the pecuniary embarrassments which have for some years past distressed the community. The gradual restoration of public and private confidence, will enable the solvent institutions of the State to furnish a currency as fast as required by the wants of the country, which will be redeemable in specie on demand.

As no Bank charters will expire during the remainder of the present executive term, there will be no necessity for enacting laws for their renewal at present. The practice of renewing acts of incorporation long before the expiration of the existing charters, is manifestly wrong, even where it may eventually be considered proper to continue them. Under present circumstances, I think it would not be right to embarrass the administration of my successor, by prematurely legislating upon subjects that will belong to that period of